


THE BLOG

The Koch Brothers Are Trying To Handpick Government Officials. We Have To Stop Them.

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Sen. Elizabeth Warren 
Democratic Senator from Massachusetts



Sen. Charles E. Schumer 
Democratic U.S. Senator from New York



Sen. Sheldon Whitehouse 
Democratic Senator from Rhode Island

On Wednesday, members of the Senate Finance Committee will vote on the nomination of Charles Blahous, a Republican, to serve a second term as a public trustee for Social Security. Mr. Blahous, a prominent opponent of Social Security and the architect of President George W. Bush's efforts to privatize benefits, is part of an army of aggressive conservative ideologues groomed for government service and bankrolled by the Koch brothers. Their purpose is clear — to tilt the game in Washington ever further in favor of corporate special interests. The Senate should reject them.

For more than a decade, conservative activists like the Koch brothers have worked to distort our politics by using their vast corporate and personal wealth to rig the rules in Washington in favor of giant corporations like theirs. Their acidic influence on our elections is obvious, as far-right activists have exploited our broken campaign finance system to bankroll candidates who will espouse their rigidly pro-corporate, anti-government view.

But there is another, less obvious way that wealthy activists advance these interests. Through tax-deductible “charitable” donations, the Kochs are systematically manufacturing a legion of “experts” at universities and think tanks across the country — and then fighting to place them in Executive Branch positions so they can undermine the government from the inside.

Mr. Blahous is one such individual. He is a long-time opponent of Social Security who served as the Executive Director of a commission under President George W. Bush that tried to privatize the program. In numerous books and articles, he has argued that Social Security's meager retirement benefits, which average a little over \$1,300 a month, are actually too generous and should be slashed. Just last year, he fought against a bipartisan solution that saved Social Security disability recipients from devastating cuts.

The position to which Mr. Blahous has been re-nominated is an obscure one — serving on the Social Security Board of Trustees — whose principal task is to

produce an annual report to Congress detailing the financial state of Social Security. Republican Senators have protested that it is merely a technical position. But leveraging any and all government positions to advance their pro-corporate, anti-government agenda is the entire point of the Koch effort, and Mr. Blahous is a prime example.

And what kind of impact can Mr. Blahous have? During his prior term as a trustee, the 2014 trustees report curiously incorporated a number of assumptions playing up the potential future insolvency of the program — a key talking point in the right-wing war on Social Security. These assumptions were so troublesome that the independent Chief Actuary for Social Security took the unprecedented step of writing a public statement of actuarial opinion disagreeing with the report. After similarly questionable elements appeared in the 2015 report, the Chief Actuary repeated this extraordinary public rebuke. It's no wonder that some have described Mr. Blahous as a fox guarding the Social Security hen house.

When he's not working inside government to undermine Social Security, Mr. Blahous burnishes his credentials by serving as a senior fellow at the Mercatus Institute, a Koch front-group which funds dozens of scholars who zealously pursue the Koch anti-government agenda. Since his start at Mercatus in 2011, Blahous has published article after article warning the public that Social Security is a broken program doomed to fail. Mercatus "scholars" benefit from the veneer of academic objectivity that comes from its affiliation with George Mason University - but history professor Clayton Coppin, who studies the Kochs, describes Mercatus as, "a lobbying group disguised as a disinterested academic program." And there's no question who that lobbying group works for. The Kochs have funded Mercatus to the tune of nearly \$10 million. Charles Koch and Richard Fink, a key Koch operative and the director of Koch charities, sit on its board.

Mr. Blahous is not alone. Hester Peirce, a Republican whose nomination to a seat on the Securities and Exchange Commission (SEC) is currently pending, is also a senior fellow at Mercatus — and a rabid opponent of many of the SEC's legal responsibilities. After the 2008 financial collapse, Congress directed the SEC to implement dozens of new rules to protect against another meltdown. Ms. Peirce aggressively opposes many of those legal requirements. She edited and contributed to an entire book assailing Congress's new law and has attacked certain requirements as "pointless" and in need of "major surgery." After a federal court rejected a challenge to one SEC rule required by Congress, Ms. Peirce publicly advocated for the SEC to "stop itself" from requiring immediate compliance with the rule. If confirmed, Ms. Peirce will have the tools to sabotage the SEC from the inside.

Because they seek to serve on government panels that require a balance of Democratic and Republican nominees, right-wing ideologues like Mr. Blahous and Ms. Peirce are able to seek appointments even under a Democratic president who strongly supports Social Security and financial reform. Such rules are designed to promote the selection of mainstream, consensus nominees who can provide bipartisan government management. While Democrats continue to put forward

such nominees for these jobs, Republicans have outsourced their selections to anti-government activists like the Kochs.

The Kochs understand what many forget - at all levels of government, personnel is policy. They are dumping enormous resources into placing their own ideological extremists who share their destructive worldview into state and local governments, Congress, and even federal agencies. Those who believe government should do more than serve the wishes of wealthy corporations and their billionaire owners must fight back. In the Senate, that fight begins with stopping the confirmations of Mr. Blahous and Ms. Peirce.

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